

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

**IN THE MATTER OF THE APPLICATION)
OF TIDEWATER ENVIRONMENTAL)
SERVICES, INC. FOR AN INCREASE IN) PSC DOCKET NO. 11-329WW
WASTEWATER RATES)
(FILED JULY 29, 2011))**

PUBLIC NOTICE OF EVIDENTIARY HEARING

TO: ALL CUSTOMERS OF TIDEWATER ENVIRONMENTAL SERVICES, INC.
("TESI") RECEIVING WASTEWATER SERVICE IN THE FOLLOWING DELAWARE
DEVELOPMENTS OR TOWN AND OTHER INTERESTED PERSONS:

- 1) THE RETREAT
- 2) HARTS LANDING
- 3) COUNTRY GROVE
- 4) BREEDER'S CROWN
- 5) BAY FRONT
- 6) BAY POINTE
- 7) THE TOWN OF MILTON

All service areas above are located in Sussex County except No. 4 above, the Breeders Crown development, which is located in Kent County.

A Hearing Examiner of the Delaware Public Service Commission ("the Commission") will conduct an evidentiary hearing concerning the above-captioned case (as further explained below) at the following time and location:

<u>DATE</u>	<u>TIME</u>	<u>LOCATION</u>
Wednesday, March 21, 2012	10:00 a.m.	Public Service Commission Hearing Room 861 Silver Lake Blvd., 1st Floor Dover, DE 19904

EVIDENTIARY HEARING

At the evidentiary hearing, evidence will be taken by pre-filed testimony, documents and stipulation. Witnesses are permitted to testify. However, only parties or interveners, or their designated witnesses, will be permitted to testify. The event is open to the public, which is

encouraged to attend. The evidentiary hearings will continue from day-to-day without further notice until they are completed.

On July 29, 2011, Tidewater Environmental Services, Inc. (hereinafter “TESI”) filed with the Commission an Application seeking approval for a general increase in its rates for wastewater service representing an increase in annual operating revenues of \$798,000 or 90.6% over current revenues. Under the proposed rates, each development or town named above would experience an approximately 90.6% increase over its current quarterly wastewater rates.

On August 23, 2011, the Delaware Public Service Commission ordered that, according to its statutory right pursuant to 26 *Del. C.* §306(c), TESI was permitted to place temporarily rates into effect, subject to refund and under bond, so long as such temporary rates did not exceed \$2,500,000 or the lesser of 15% of TESI’s annual gross intrastate operating revenues. As required by statute, this increase could take effect on or after September 28, 2011, which is sixty (60) days after TESI’s Application was filed.

On September 28, 2011, TESI placed temporary rates into effect which increased these customers’ rates by approximately 7.6%. These temporary rates are less than what TESI was permitted by statute, and the Commission, to charge. As required by the Commission, TESI submitted a surety bond with Middlesex Water Company as Principal for \$75,000. This amount is the amount of revenues which TESI had originally expected to collect during the seven (7) months that the amount of the temporary rates permitted by statute were in effect.

The Hearing Examiner will consider the Application, the pre-filed and live testimony of the parties and any other pertinent documents submitted by the parties. The Hearing Examiner is obligated to reach a decision based upon the evidence presented at this evidentiary hearing. After the evidentiary hearing, the Hearing Examiner will submit Recommendations to the

Commission. The Commission will make its final decision in this case based upon the evidence of record taken at the evidentiary hearing.

In the event that the parties reach a proposed settlement agreement prior to the evidentiary hearing, then the parties will present the proposed settlement agreement to the Hearing Examiner. If a settlement agreement is reached, evidence will be taken as to whether the Commission should approve the settlement agreement. The Commission may approve or reject the proposed settlement agreement in whole or in part. If a settlement agreement is reached, a copy of the settlement agreement will be immediately posted on the Commission's website, <http://dep.sc.delaware.gov/default.shtml>.

You are invited to review TESI's application and supporting documents to determine how your interest may be affected. You may review documents posted on the Commission's website at <http://dep.sc.delaware.gov/default.shtml>. If you would like to review documents at the Commission's offices, please contact Monica Hall at monica.hall@state.de.us to arrange a time for your review. You may also review copies of the Company's application and supporting documents at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail.php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website, <http://dep.sc.delaware.gov/default.shtml>. The Commission will respond to your request in accordance with the Freedom of Information Act, 29 *Del. C.* ch. 100.

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If you have a disability and wish to participate, or to review the materials, in these proceedings, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions by Internet e-mail addressed to lefeisha.cannon@state.de.us.